

CENTRAL INTELLIGENCE AGENCY

INFORMATION REPORT

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This is UNEVALUATED Information

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Exports

1. The penetration of Czechoslovak as well as other Satellite manufactures into foreign markets has been decided as a deliberate move in the cold war. The Soviets not only supervise these efforts, but exercise considerable pressure on the Satellites to achieve this. Deliveries of goods at "dumping" prices are calculated to undermine the economic stability of the West and of all non-Communist countries.
2. The Soviets insist that Czechoslovak production is still too expensive, although sales prices are, in fact, already below actual production costs. This is producing renewed dissatisfaction and overt criticisms on the part of the public in Czechoslovakia.
3. To secure better penetration of foreign markets, Czechoslovakia will send an additional six hundred trade delegates abroad; 350 of these have already been issued passports. Each one of these trade delegates will be in charge of a certain country or geographic region. There he is expected to achieve a certain norm of sales in foreign currency fixed by a plan. He is to get a special bonus for exceeding his norm, and to make these representatives really work hard, their basic salaries are fixed calculatedly low.
4. Exports of Czechoslovak ball bearings are out of the question. Notwithstanding very great efforts to erect new ball-bearing-producing plants in Czechoslovakia, the country still has to import bearings, especially small-caliber ones.

Standard of living

5. Meat of inferior quality is available only twice a week. Long lines in front of butchers' shops are the result. The clothing situation is described as "hopeless".

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Skoda

6. The chaos resulting from the splitting up of the Skoda concern into a number of smaller units, most of them subordinated to different Government departments (ministries), has caused much delay in deliveries both for home and abroad. It is now under serious consideration to reunite all former Skoda plants into one industrial concern.

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